

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

**A & H SPORTSWEAR INC. and
MAINSTREAM SWIMSUITS, INC.,
Plaintiffs**

v.

**VICTORIA'S SECRET STORES, INC. and
VICTORIA'S SECRET CATALOGUE, INC.,
Defendants**

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Civil Action No. 94-cv-7408

DECISION AND ORDER

Van Antwerpen, J.

January 9, 2002

I. Introduction and Procedural History

For over seven years this trademark dispute has moved up and down between this Court and the Third Circuit Court of Appeals. Plaintiffs filed suit in December 1994 seeking injunctive and monetary relief against Defendants Victoria's Secret Stores, Inc. and Victoria's Secret Catalogue, Inc., claiming that Defendants' use of the name "THE MIRACLE BRA" on swimwear and lingerie violated Plaintiffs' trademark "THE MIRACLE SUIT." A bench trial was held from October 23, 1995 to November 3, 1995 on the issue of liability. We initially found that (1) there was no possibility or likelihood of confusion between the marks as applied to lingerie, (2) there was no likelihood of confusion when the mark was applied to swimwear, but that (3) there was a possibility of confusion when the mark was applied to swimwear. A & H

Sportswear, Inc. v. Victoria's Secret Stores, Inc., 926 F. Supp. 1233, 1269 (E.D. Pa. 1996) (" A & H "). Following a damage trial from November 4-5, 1996, we ruled that Defendants could not use THE MIRACLE BRA trademark with respect to swimwear unless they used a disclaimer and

paid Plaintiffs a reasonable royalty. A&H Sportswear, Inc. v. Victoria's Secret Stores, Inc., 967 F.Supp.1457, 1482-1483 (E.D. Pa. 1997) (“ A&H III ”).

Both parties appealed, and the Third Circuit, *en banc*, affirmed our finding of no likelihood of confusion with regard to lingerie, but determined that a “possibility of confusion” standard was no longer recognized in this Circuit and that liability could only be imposed after a finding of a “likelihood of confusion” and reversed our award of damages. A&H Sportswear, Inc. v. Victoria's Secret Stores, Inc., 166 F.3d 197, 206, 208-209 (3d Cir. 1999) (“ A&H III ”). They remanded the case and asked us to consider whether there was a likelihood of confusion with regard to THE MIRACLE BRA swimwear. Id. The Third Circuit also directed that we examine whether the doctrine of reverse confusion was implicated in this case. Id.

On remand, we found that there was no likelihood of direct confusion and that it was unlikely that a consumer would regard THE MIRACLE BRA swimwear as a product of A&H. A&H Sportswear Co. v. Victoria's Secret Stores, 57 Supp.2d 155, 169 (E.D. Pa. 1999) (“ A&H IV ”). We then found under existing legal standards that there were no grounds for a claim of reverse confusion. Id. at 176-178

The parties appealed again and the Court of Appeals affirmed in part and reversed in part. The Court of Appeals affirmed our decision regarding the finding that there was no likelihood of direct confusion, but held that we applied an incorrect test with regard to the reverse confusion claims and remanded the case yet again with instructions to apply a new ten factor test. A&H Sportswear Inc. v. Victoria's Secret Stores, Inc., 237 F.3d 198 (3d Cir. 2000) (“ A&H V ”). The Court did not that we need not hear new evidence. Id. at 238.

On January 11, 2001, Plaintiffs filed a “Motion for Hearing on Contempt and Additional

Hearing.” We denied this motion in its entirety and refused to open the extensive record simply because this case has been protracted.. A&H Sportswear, Inc. v. Victoria’s Secret Stores, Inc., 134 F.Supp.2d 668, 669 (E.D. Pa. 2001) (“ A&HVI ”).

On August 17, 2001, we reevaluated the reverse confusion claim applying the new test mandated by the Third Circuit in A&HV and found a likelihood of reverse confusion with respect to Defendants’ use of THE MIRACLE BRA trademark on swimwear. A&H Sportswear, Inc. v. Victoria’s Secret Stores, Inc., 167 F.Supp.2d 770 (E.D. Pa. 2001) (“ A&H VII ”). We asked the parties to brief the sole remaining issues in this long and tortured case: what is the proper remedy for the likelihood of reverse confusion created by Defendants’ use of THE MIRACLE BRA trademark on swimwear? ¹ We note again, for the sake of clarity, that all issues regarding the use of THE MIRACLE BRA mark with respect to lingerie have been decided definitely in favor of Defendants and that our finding that there is no likelihood of direct confusion with respect to swimwear has been upheld by the Third Circuit.

Oral argument on the remaining issues was held on Wednesday, January 2, 2002. For the reasons stated below, we find that the facts of this case and principles of equity mandate that we grant a full injunction prohibiting Defendants from using THE MIRACLE BRA, MIRACLESUIT, or any other “Miracle” mark in the sale of swimwear and that no award of monetary damages, in any form, is appropriate.

¹ Plaintiffs’ filed a brief regarding the proper remedies on November 8, 2001. Defendants’ filed a “Responsive Brief Regarding the Scope of Relief Where the Court has Found a Likelihood of Reverse Confusion—But No Likelihood of Direct Confusion—Between the Miracle Bra and Miraclesuit in the Swimwear Market” on December 11, 2001.

II. Factual Background²

A&H Sportswear, Co Inc. (“A&H”) is a manufacturer of about 10 percent of swimsuits made in the United States. In 1992, A&H received a federal trademark for use of the MIRACLESUIT mark for swimwear to be used on its suits made from a patented fabric designed to make the wearer look slimmer. Victoria’s Secret Stores, Inc. and Victoria’s Secret Catalogue, Inc. (collectively “Victoria’s Secret”) have sold women’s lingerie under the name THE MIRACLE BRA since 1993, holding a trademark for the use of the mark with lingerie since 1994. In 1994, Victoria’s Secret introduced THE MIRACLE BRA swimwear. Later that same year, A&H brought suit for trademark infringement, after which time Defendants began to use a disclaimer. Defendants were denied a trademark registration for the use of THE MIRACLE BRA mark on swimwear by the Patent and Trademark Office (“PTO”).

III. Discussion

A. Reverse Confusion Generally

“While the essence of a direct confusion claim is that a junior user of a mark is said to free-ride on the ‘reputation and goodwill of the senior user by adopting a similar or identical mark,’ reverse confusion occurs when ‘the junior users saturate the market with a similar trademark and overwhelm the senior user.’” A&H V., 237 F.3d at 228, quoting Fisons Horticulture, Inc. v. Vigoro Industries, Inc., 30 F.3d 466, 475. Thus, the doctrine of reverse confusion protects against a specific type of harm, namely that “[t]he public comes to assume the

²We have made no additional findings of fact in this decision on the issue of remedies. Accordingly, we have left this statement of facts brief and include it only by way of background information. The facts were previously presented in multiple decisions. See, e.g., A&H I., 926 F.Supp. at 1235-1254.

senior user's products are really the junior user's so that the former has become somehow connected to the latter...[T]he senior user loses the value of the trademark— *its product identity, corporate identity, control over its goodwill and reputation, and ability to move into new markets.*" A&HV, 237 F.3d at 228, quoting Ameritech, Inc. v. American Info. Techs. Corp., 811 F.2d 960, 964 (6th Cir. 1987) (*emphasis added*).

B. Remedies Generally

The Lanham Act provides for two remedies following a finding of liability. The most common remedy is injunctive relief. Under section 34 of the Lanham Act "courts vested with jurisdiction of civil actions arising under this chapter shall have power to grant injunctions, according to principles of equity and upon such terms as the court may deem reasonable, to prevent the violation of any right of the registrant of a mark registered in the Patent and Trademark Office." 15 U.S.C. § 1116(a), quoted in A&HIII, 166 F.3d at 207. Monetary damages (including costs) can be awarded pursuant to section 35 which states in part:

(a) When a violation of any right of the registrant of a mark... shall have been established... the plaintiff shall be entitled... subject to the principles of equity, to recover (1) defendant's profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action. The court shall assess such profits and damages or cause the same to be assessed under its directions. In assessing profits the plaintiff shall be required to prove defendant's sales only; defendant must prove all elements of cost or deduction claimed. In assessing damages the court may enter judgment, according to the circumstances of the case, for any sum above the amount found as actual damages, not exceeding three times such amount. If the court shall find that the amount of recovery based on profits is either inadequate or excessive the court may in its discretion enter judgment for such sum as the court shall find to be just... Such sum in either of the above circumstances shall constitute compensation and not a penalty. The court in exceptional cases may award reasonable attorney fees to the prevailing party.

15 U.S.C. § 1117(a), quoted in A&HV, 166 F.3d at 207-208.

C. Monetary Relief

1. Royalty Payments

In A&HII, 967 F. Supp. 1457, we awarded Plaintiffs a reasonable royalty for past and future infringement by Victoria's Secret after we had found liability under the possibility of confusion standard. The Court of Appeals, in remanding the case for applying the possibility of confusion standard, noted that while remedies would have to be decided anew, they had very serious reservations about the use of a royalty calculation for either past or future infringement. A&HIII, 166 F.3d at 208-209. The Court noted that our "award of a royalty for future sales put the court in the position of imposing a license neither party had requested or negotiated." Id. at 208. The Court also stated that the award of a royalty for past infringement is a remedy typically reserved for patent and trade secret cases and that in the few cases where a royalty had been awarded for past trademark infringement, "it was most often for continued use of a product beyond authorization, and damages were measured by the license the parties had contemplated." Id. at 208-209. In accordance with the dictates of the Court of Appeals, we find that since this was not a case involving a licensee exceeding its authorization, an award of royalty payments is not warranted.

2. Damages

We held a two-day trial on remedies on November 4 and 5, 1996. Plaintiffs called two witnesses, an accounting expert and a senior executive with A&H, Bruce Waldman. While the parties specifically addressed the type of harm caused by reverse confusions, ³Plaintiffs never even attempted to quantify any lost profits they may have suffered as a result, nor did they even

³ See, e.g., N.T. Waldman, 11/4/96 at 125 ("[W]e have lost control over our name, lost control over the quality, lost control over Miracle products. We don't know—and the biggest harm to me is just the loss of our reputation in our marketplace")

allege that there were any lost sales. See N.T. Waldman, 11/4/96 at 125-126 (“I can’t—it wouldn’t be fair to me to tell you how many dollars worth of sales we lost because there’s no way to know what that number is and I wouldn’t try to profess to come up with that”).⁴ In fact, sales of the MIRACLE SWI have steadily increased since the introduction of THE MIRACLE BRA swimwear. A&H II, 967 F. Supp. at 1465. As there is no indication of any lost profits or any other actual pecuniary damages suffered by Plaintiffs as a result of the reverse confusion, we find that it is impossible to award monetary relief based on a theory of damage to the Plaintiffs.⁵ See A&H III, 166 F.3d at 209 (“The cases awarding damages after a finding of likelihood of confusion have measured damages based on proof of lost sales”). See also Restatement (Third) of Unfair Competition § 36, cmt. c (stating that an injunction is an adequate remedy absent proof of “actual harm”), cited in A&H III, 166 F.3d at 209.

3. Profits

Since they have not provided any indication of any actual harm, Plaintiffs have, not surprisingly, requested a share of Victoria’s Secret’s profits from the sale of THE MIRACLE BRA swimwear. Just what share Plaintiffs request is unclear, as their brief indicates at different times that they are entitled to all of the profits, 25%, 11%, and 18.5%. We find, however, based

⁴ See also N.T. Waldman, 11/4/96 at 133-134.

Q: And you said you didn’t know what sales you may have lost as a result of Victoria’s Secret’s use of the Miracle Bra[on] swimsuit[s], is that correct?

A: Correct.

Q: In fact you don’t know if you have lost any sales, is that correct?

A: Correct.

⁵ At oral argument on January 2, 2002, Plaintiffs admitted as much on the record when they stated that there was no proof of actual loss and that damage to Plaintiffs was not the theory under which they were seeking monetary recovery.

on the specific facts of this case, that no award of a share of Defendants' profits would be fair or equitable.

“[A]n accounting for profits is a form of equitable relief, and it does not follow as a matter of course upon the mere showing of an infringement.” A&H III, 166 F.3d at 209, quoting Williamson-Dickie Mfg. v. Davis Mfg., 251 F.2d 924, 927 (3d Cir. 1958). “[A] plaintiff must prove that an infringer acted willfully before the infringer's profits are recoverable.” Securacomm Consulting Inc. v. Securacom Inc., 166 F.3d 182, 190 (3d Cir. 1999). Courts looking to the “principles of equity” under 15 U.S.C. § 1117 “have held that a finding of willfulness or bad faith is important in determining whether to award profits...” Id. at 188. While Plaintiffs contend that Victoria's Secret's use of THE MIRACLE BRA mark on swimwear was a willful infringement because Victoria's Secret deliberately (as opposed to accidentally) chose the name and they knew of the existence of the MIRACLE SUIT mark, we think that Plaintiffs have misapplied the term “willful” in the trademark context. “Knowing or willful infringement consists of more than the accidental encroachment of another's rights. It involves an intent to infringe or a deliberate disregard of a mark holder's rights.” Securacomm, 166 F.3d at 187.

We have repeatedly found that Victoria's Secret did not act in bad faith, and the record does not support a finding of a deliberate infringement or disregard of A&H's rights. There are several reasons, specific to this case, why principles of equity warrant that no share of the profits should be awarded.

First, THE MIRACLE BRA and MIRACLE SUIT, while similar and likely to cause reverse confusion (though not direct confusion), are certainly not identical. We cannot say that

Victoria's Secret deliberately infringed on the MIRACLE SUIT mark when they extended THE MIRACLE BRA mark into swimwear. This Court has found that there is no likelihood of direct confusion and until receiving further guidance from the Third Circuit, had originally determined that the doctrine of reverse confusion was not implicated. We cannot say that Defendants acted with deliberate indifference when they reached the same conclusion as this Court, however incorrect it may have been. We also note that our finding of a likelihood of reverse confusion did not occur until August 17, 2001, after seven years, two trials, hundreds of exhibits, extensive briefing, and numerous district court and appellate opinions. To say that Victoria's Secret acted in bad faith for not coming to this same legal conclusion in 1994 borders on the absurd. Counsel need not be prescient.

Another important factor which guides our decision that it would be inequitable to award A&H a share of Defendants' profits is that Victoria's Secret developed a legitimate and federally registered mark for use of THE MIRACLE BRA with the sale of lingerie. THE MIRACLE BRA lingerie was a highly profitable product line, and this success was attributed to factors wholly divorced from A&H or the MIRACLE SUIT mark. The extension of THE MIRACLE BRA into swimwear was a good faith attempt to capitalize on Defendants' own success in a new product line. That this extension was denied PTO protection or that it ultimately was found to create a likelihood of reverse confusion simply means that Victoria's Secret made a poor choice, not that this poor choice was made with any kind of malicious intent to infringe on Plaintiffs' mark.

While not necessary for a finding of reverse confusion, it is also important that there is no indication that Victoria's Secret's success with its THE MIRACLE BRA swimwear was due to

the strength of A&H's MIRACLESUIT mark or the confusion that was created because of the marks' similarity. ⁶Instead, it is equally likely that Victoria's Secret's success in the swimwear market was due to its strong trademark in lingerie and the fact that consumers wanted an extension of this same cleavage-enhancing feature in a swimsuit. We think that it would be unfair to award Plaintiffs a share of the profits when there is no indication that Plaintiffs' mark contributed to these profits at all.

Finally, it bears repeating that there is nothing in the record to show that A&H suffered any pecuniary loss whatsoever. In fact the MIRACLESUIT swimwear was highly profitable and profits increased every year, despite the likelihood of reverse confusion created by Defendants' THE MIRACLE BRA mark. Additionally, the harm associated with reverse confusion is that consumers will associate the senior user's product with the infringing junior user. Thus, we at least have to consider the possibility that this confusion may have increased A&H's sales in that consumers may have purchased MIRACLESUIT swimwear under the mistaken belief that it was associated with Victoria's Secret. In short, we find that it would be unfair to award A&H a share of Victoria's Secret's profits when there is no indication that they lost any sales or suffered any financial damage and in fact could possibly have profited from the confusion. See Restatement (Third) of Unfair Competition §36, cmt. c (stating that an injunction is an adequate remedy absent proof of "actual harm"), cited in A&H III, 166 F.3d at 209.

In their brief, Plaintiffs claim that Century Distilling Co. v. Continental Distilling Corp., _____,

⁶As stated above, the doctrine of reverse protects against a very different kind of harm, namely the loss of the senior user's "product identity, corporate identity, control over its goodwill and reputation, and ability to move into new markets." A&H V, 237 F.3d at 228, quoting Ameritech, Inc. v. American Info. Techs. Corp., 811 F.2d at 964.

205F.2d140(3dCir.1953)mandatesanawardoftheprofitsintheinstantcase. Century Distillingandthecaseuponwhichitrelied MishawakaRubber&WoolenMfg.Co.v.S.S. KresgeCo., 316U.S.203(1942)providenosupportfortheawardofashareofprofitsinthe instantcase.Both CenturyDistilling and Mishawakawere decidedpriortothepassageofthe Lanhamactwhich,departingfromtheTrade-MarkActof1905,madeanyawardofmonetary reliefspecificallysubjectto“principlesofequity.”Undertheseprinciples,itwouldbeunjustto awardPlaintiffs’anyshareofVictoria’sSecret’sprofitswithoutanyfindingofwilful infringementunderthemandatesof Securacomm.Wealsohaveconsideredthedictatesof CenturyDistilling inwhichtheThirdCircuitstatedthat“ifawindfallistoresultfromthefailure toachievmathematicalprecisioningaughingthepercentageoftheinfringer’ssalesnot attributabletoconfusion,itbelongstothewronged,notthewrongdoer.”205F.2dat144. However,ourdecisionnottoawardashareoftheprofitsisnotbasedonafailuretoachieve “mathematicalprecision,”andwehavenodoubtifthecalculationsweretheonlything preventingaproperrecoveryofprofits,thenwewouldresolveambiguitiesinfavorofPlaintiffs. Instead,wefind,basedonthefactsofthiscase,that“principlesofequity”undertheLanhamAct mandatethatPlaintiffsareentitledtonoshareofDefendants’profits.

Inshort,wefindthatitwouldbeinequitabletoawardanyshareofprofitsinthiscase, andwebasethisdecisiononthefollowingsixfactors:(1)thelackofbadfaithorwilful infringementonthepartofVictoria’sSecret;(2)Victoria’sSecret’ssuccessful,legitimate,and federallyprotecteddevelopmentofTHEMIRACLEBRAMarkforlingerieandthefactthatthis successcontributedtothesuccessofTHEMIRACLEBRASwimwear;(3)thefactthatTHE MIRACLEBRAandMIRACLESUITmarksarenotidenticalandVictoria’sSecretcouldhave,

ingoodfaith,determinedthattherewasnolikelihoodofconfusionwhenitadoptedthemark;(4) A&H'sincreasedprofitsonitsMIRACLESUITswimwearthroughouttheperiodofthe infringement;(5)thelackofanylostsales,lostprofits,oranyotheractualdamagetoPlaintiffs; and(6)thepossibilitythatPlaintiffsmighthaveactuallygainedbusinessasaresultofthereverse confusion.Wealsonote,forthesakeofclarity,thatthepresenceofanyoneofthesefactors, evenwithouttheothers,would,onitsown,makeitinequitabletoawardashareoftheprofits, andthatthecombinationofallsixfactorsmakesitevenmoreclearthatnoshareoftheprofits shouldbeawardedinthiscase.

4. Costs,enhanceddamages,andattorneys'fees

WehaverepeatedlyfoundthatDefendants'didnotactinbadfaithorwilfullyinfringeon Plaintiffs'mark.Wealsofindthatthoughthishasbeenalong,protractedlitigationwith vigorous(andoftenheated)advocacyonbothsides,bothpartieshaveactedingoodfaith throughouttheproceedings.Assuch,nocostsorattorney'sfeeswillbeawarded.Also,since therehasbeennoproofofactualmonetarydamagetoPlaintiffs,wecannotmakeanyawardof enhanceddamages.WealsonotethatatoralargumentsonJanuary2,2002,Plaintiffsadmitted ontherecordthatinlightofthefindingthatVictoria'sSecretdidnotactinbadfaith,costsand trebledamagescouldnotbeawarded.

5. CorrectiveAdvertising

Wehavetwicepreviouslyfoundthatanawardofmonetaryreliefforcorrective advertisingwouldnotbeappropriateinthiscase. A&HII,967F.Supp.at1478, A&HVII, 167F.Supp.2dat802.Weseenoreasontodepartfromourpreviousdecisionsandfindthat sincePlaintiffshavenotclaimeddamagesforcorrectiveadvertisingexpendituresalready made,

there has been no showing of any actual damage to Plaintiffs, and Defendants did not act in bad faith, no award of money for corrective advertising is appropriate.

D. Injunctive Relief

The appropriateness and scope of injunctive relief depend upon a comparative appraisal of all the factors of the case, including the following primary factors:

- (a) the nature of the interest to be protected;
- (b) the nature and extent of the wrongful conduct;
- (c) the relative adequacy to the plaintiff of an injunction and of other remedies;
- (d) the relative harm likely to result to the legitimate interests of the defendant if an injunction is granted and to the legitimate interests of the plaintiff if an injunction is denied;
- (e) the interests of third persons and of the public;
- (f) any unreasonable delay by the plaintiff in bringing suit or otherwise asserting its rights;
- (g) any related misconduct on the part of the plaintiff; and
- (h) the practicality of framing and enforcing the injunction.

Restatement (Third) of Unfair Competition § 35, cited in A&HII, 967 F. Supp. at 1468-1469.

“Under certain rare circumstances, no injunction at all may be appropriate. ‘[I]f the plaintiff’s interest is not substantial in comparison with the legitimate interests of the defendant and the defendant’s conduct was undertaken in good faith, the balance of equities may not justify injunctive relief’” Restatement (Third) of Unfair Competition § 35, cmt. b, quoted in A&HII, 967 F. Supp. at 1469.

For the reasons stated below, we find that a full injunction prohibiting Victoria’s Secret from using the marks THEMIRACLEBRA, MIRACLESUIT, or any other use of the term “miracle” in connection with the sale, promotion, advertising, or sale of swimwear is the most equitable form of relief in this case. We also find that given the nature of the reverse confusion in this case, allowing Defendant to use their THEMIRACLEBRA mark with a disclaimer or to identify their swimwear as containing THEMIRACLEBRA features or technology would also

create confusion and be difficult to enforce.

1. The Nature of the Interest to be Protected

We find that A&H has a strong interest to be protected, namely control of its corporate identity, ability to expand into new markets, and protection of its goodwill and reputation. While these interests perhaps are not as strong as protecting against the diversion of sales and infliction of financial harm, the control over its highly successful MIRACLESUIT mark and the goodwill and reputation associated with the mark is obviously very important to A&H. Accordingly, we weigh this factor in favor of the Plaintiffs.

2. The Nature and Extent of the Wrongful Conduct

We have repeatedly held that Victoria's Secret did not act in bad faith and that they did not deliberately infringe on Plaintiffs' mark. However, we do find that Victoria's Secret took the risk in adopting THE MIRACLE BRA mark for the use of swimwear that it would infringe on Plaintiffs' mark. Furthermore, after suit was commenced in 1994, Victoria's Secret continued to market and sell THE MIRACLE BRA swimwear, though an ultimate finding of infringement was obviously a possibility. Since Victoria's Secret sold, promoted, and spent a great deal of resources in expanding THE MIRACLE BRA line of swimwear throughout the course of this dispute, we weigh this factor in favor of Plaintiffs. However, since Victoria's Secret acted in good faith in its decisions, we do not place great emphasis on this factor in reaching our decision.

3. The Relative Adequacy to the Plaintiff of an Injunction and of Other Remedies.

We weigh this factor strongly in favor of A&H. We have found that Victoria's Secret's use of THE MIRACLE BRA mark on swimwear creates a likelihood of reverse confusion. Yet

without a full injunction there can be no hope for A&H to protect the value of its trademark. In A&H VII, this Court specifically considered Victoria's Secret's use of a disclaimer. 167 F.Supp.2d at 779. Despite Victoria Secret's attempts to alleviate confusion through the use of said disclaimer, we nonetheless found that there was a likelihood of reverse confusion. Id. Accordingly, to fashion an injunction in the form of allowing Defendants to continue using THE MIRACLE BRA mark on swimwear on the condition that they use a disclaimer would in actuality be no relief at all; Plaintiffs would be left with a hollow victory where, after finding a trademark infringement, a court would order the infringement to continue. Furthermore, in a reverse confusion situation, the effectiveness of a disclaimer in conjunction with the sale of the junior user's product "is necessarily lessened" in comparison with its effectiveness in a direct confusion context. A&H V, 237 F.3d at 229-230. ⁷

We also find that any partial injunction allowing the continued use of THE MIRACLE BRA mark on Defendants' swimwear with a disclaimer would be difficult to enforce. In A&H VI, Plaintiffs claimed that Defendants had violated this disclaimer policy. Also, at oral argument on January 2, 2002, Plaintiffs again attempted to introduce evidence of Victoria's Secret's alleged failure to use a disclaimer on its website. We find that a partial injunction would be difficult to enforce and that it would likely necessitate excessive court monitoring and

⁷In their brief, Defendants argue that any concern over the lessened effect of a junior user's disclaimer in a reverse confusion context can be alleviated by requiring Plaintiffs to use the SWIMSHAPE house mark in conjunction with the sale of MIRACLE SUIT swimwear, a practice by which A&H once abided. While we find A&H's discontinuance of the house mark to be a relevant factor in fashioning a remedy (See, infra part III-D-7), we will not require Plaintiffs to use their house mark in conjunction with the sale of MIRACLE SUIT swimwear because such an order would place the burden of preventing the confusion on the wronged, not the wrongdoer.

involvement to ensure faithful adherence.

Finally, Defendants request that if a full injunction is granted that Victoria's Secret should be allowed to advertise its swimwear as containing THE MIRACLE BRA technology or THE MIRACLE BRA cleavage-enhancing features. We find that this exception would simply create more confusion in this case. We further find that creating this exception would result in an injunction that would be very difficult to enforce by making the judicial system monitor the continued sale and marketing of Victoria's Secret's swimwear and the inevitable disputes as to whether this exception had swallowed the rule.

In short, this factor weighs strongly in A&H's favor, because monetary relief is not appropriate in this case and any partial injunction would be ineffective in alleviating the confusion and difficult to enforce.

4. The Relative Harm Likely to Result to the Legitimate Interests of the Defendant if an Injunction is Granted and to the Legitimate Interests of the Plaintiff if an Injunction is Denied.

We weigh this factor for neither Plaintiffs nor Defendants. There is no doubt that Defendants will be harmed by this injunction and that their position in the swimwear industry may not be as strong. However, it must be noted that a Defendant cannot have a "legitimate interest" in the use of a mark that infringes on another's mark. Thus, while Victoria's Secret certainly has a legitimate interest in extending the same technology that led to the success of THE MIRACLE BRA lingerie into swimwear, it does not have a legitimate interest in extending this technology in a way that infringes upon A&H's MIRACLE SUIT mark. Furthermore, Victoria's Secret's use of the infringing THE MIRACLE BRA mark has helped them attain the position as "the leading mail-order retailer of swimwear," and we have no doubt that this lofty

status will enable Victoria's Secret to alleviate some of the harm associated with no longer being able to use THE MIRACLE BRA mark in connection with the sale of swimwear.⁸

In addition, the harm to Victoria's Secret must be balanced against the harm to A&H caused by the likelihood of reverse confusion. Without this injunction, A&H will likely lose control of its corporate identity and reputation, suffer harm or devaluation of its goodwill, and lose its ability to expand into new markets. That this Court has no means to assign a numerical value to this harm does not make it any less serious and any harm caused to Victoria's Secret must be balanced against the harm to A&H.

In summation, we weigh this factor in favor of neither Plaintiffs nor Defendants, because (1) Victoria's Secret's legitimate interests can only include the use of THE MIRACLE BRA technology in swimwear and not the infringing THE MIRACLE BRA mark; (2) Victoria's Secret will suffer some harm in its legitimate use of THE MIRACLE BRA technology in swimwear; (3) Victoria's Secret can leverage its leading position in the mail-orders swimwear industry, attained in part through the use of an infringing mark, to help alleviate some of the harm brought about by this injunction; and (4) A&H will suffer harm to its reputation, goodwill, control of its identity, and ability to move into new markets if a full injunction is denied.

5. The Interest of Third Persons and of the Public

We similarly weigh this factor in favor of neither Plaintiffs nor Defendants. Undoubtedly, with the issuance of a full injunction, some of the buying public will be deprived of the benefit of identifying THE MIRACLE BRA's popular cleavage-enhancing features

⁸We also find that the full injunction will have no impact whatsoever on Victoria Secret's use of THE MIRACLE BRA mark in connection with its sale of lingerie.

contained in Victoria's Secret's swimwear. However, we do not think the absence of THE MIRACLE BRA mark will prevent Victoria's Secret from using a popular and successful feature on its swimwear, and we are confident that Victoria's Secret can use their significant market strength to convey to consumers that this feature is present. Furthermore, any harm to the public resulting from a full injunction must be balanced against the harm to the public resulting from a denial of the injunction. A&H's MIRACLE SUI line contains a popular material, designed to make the wearer look slimmer. The likelihood of reverse confusion resulting from a denial of this injunction would likely cause consumers to associate the MIRACLE SUI line with Victoria's Secret and thus be deprived of the knowledge that it contains the patented, slenderizing fabric. Accordingly, we find that the harm to third parties and to the public balances out whether a full injunction is granted or denied.

6. Any Reasonable Delay by The Plaintiff in Bringing Suit or Otherwise Asserting its Rights

While we weigh this factor in favor of Plaintiffs because they promptly and properly asserted all of their rights, we do not think that it weighs strongly in favor of granting or not granting a full injunction.

7. Any Related Misconduct on the Part of the Plaintiff

At the time A&H commenced this action, A&H identified its product as MIRACLE SUI by SWIM SHAPER, but after filing the complaint began to identify it simply as MIRACLE SUI. In light of A&H's concern over the confusion between its product and Victoria's Secret's products, the abandonment of its clarifying house mark seems questionable at best. However, while we weigh this factor in favor of Defendants and against granting a full

injunction, we can think of no doctrine which requires the senior holder of a mark to help prevent confusion with a junior user. Also, neither party has offered any evidence on why A&H abandoned the use of the house mark. Accordingly, we give this factor only slight weight in favor of Defendants.

8. Conclusion

Based upon the weighing of the Restatement factors, principles of equity, and the overall record in this case, we find that a full injunction prohibiting Victoria's Secret from any use of MIRACLESUIT, THE MIRACLE BRA, or the term "miracle" in any form in connection with swimwear is the only fair and just result. Victoria's Secret can continue to market this type of swimwear but will have to refer to it in other terms. Accordingly, the disclaimer need not be used. As already noted, our conclusion has no effect upon the marketing of lingerie. While our evaluation of the factors was sometimes close and sometimes a factor cut in favor of neither side, our overall determination that a full injunction was the most fair and equitable result would not have changed had factors gone the other way.

IV. Conclusion

For the foregoing reasons, no award of monetary relief is appropriate in this case. However, the record in the case requires us, under principles of equity, to grant a full injunction prohibiting Victoria's Secret from the use of MIRACLESUIT, THE MIRACLE BRA, or any other form of the term "miracle" in connection with swimwear.

An appropriate order follows.

**INTHEUNITEDSTATESDISTRICTCOURT
FORTHEEASTERNDISTRICTOFPENNSYLVANIA**

**A&HSPORTSWEARINC.and
MAINSTREAMSWIMSUITS,INC.,
Plaintiffs**

v.

**VICTORIA'SSECRETSTORES,INC.and
VICTORIA'SSECRETCATALOGUE,INC.,
Defendants**

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CivilActionNo.94-cv-7408

ORDER

ANDNOW,this9thdayofJanuary,2002,itishereby
consistentwiththeforegoingDecision,asfollows:

ORDEREDand DECREED,

- (1) DefendantsVictoria'sSecretStores,Inc.andVictoria'sSecretCatalogue,Inc.are hereby **PERMANENTLYENJOINED** fromusingthemark“THEMIRACLE BRA”,“MIRACLESUIT,”andanyotheruseoftheterm“miracle”inanyformin connectionwithswimwearsoldbythemincludingthepromotion,advertising, sale,andidentificationofswimwearinstores,ontelevision,radio,internet, catalogue,tradepublicationoranyothermedium;
- (2) Defendantsshallhaveninety(90)daysfromtheeffectivedateofthisorderto fullyimplementthischange;
- (3) TheCourtwillenforcethisorderwithitscontemptpower;
- (4) Requestsformoneydamagesandallotherreliefbythepartiesare **DENIED**;and
- (5) Thiscaseis **CLOSED**.However,theCourtwillretainjurisdictionfor enforcementpurposes.

BYTHECOURT:

FranklinS.VanAntwerpen,U.S.D.J.

**INTHEUNITEDSTATESDISTRICTCOURT
FORTHEEASTERNDISTRICTOFPENNSYLVANIA**

**A&HSPORTSWEARINC.and
MAINSTREAMSWIMSUITS,INC.,**

Plaintiffs

v.

**VICTORIA'SSECRETSTORES,INC.and
VICTORIA'SSECRETCATALOGUE,INC.,**

Defendants

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CivilActionNo.94-cv-7408

ORDER

ANDNOW,this9thdayofJanuary,2002,consistentwithourOrderofJanuary9,2002,
itisherebyORDEREDthat **JUDGMENTISENTERED** infavorofPlaintiffsA&H
Sportswear,Inc.andMainstreamSwimsuits,Inc.andagainstDefendantsVictoria'sSecret
Stores,Inc.andVictoria'sSecretCatalogue,Inc.

BYTHECOURT

FranklinS.VanAntwerpen,U.S.D.J.